Government of Saskatchewan

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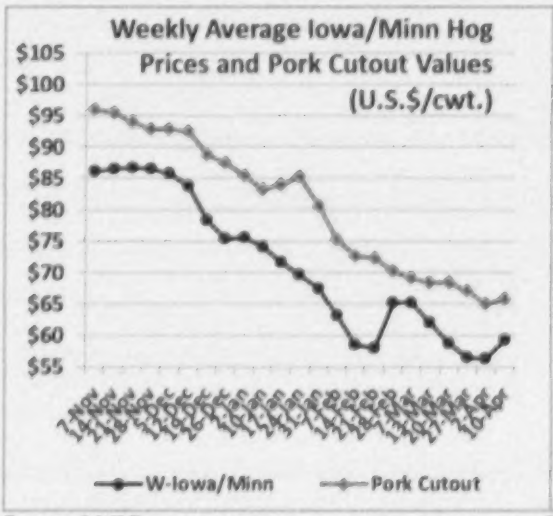
Weekly Hog Report

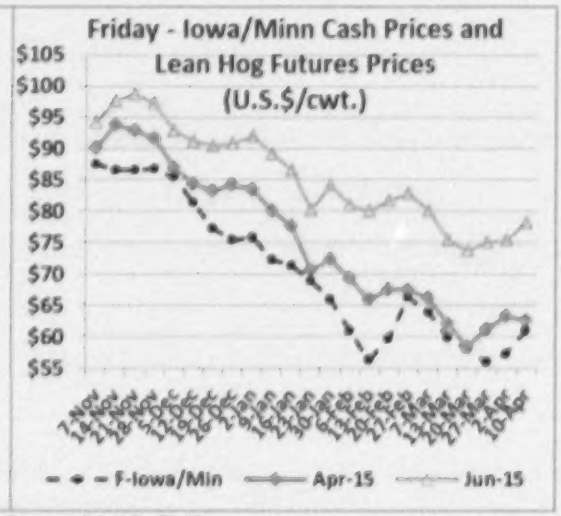
April 13, 2015

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) edged higher over the week to end last Friday higher; week-over-week. Hog prices on Friday averaged US$61.00 per cwt, up US$3.70 per cwt from US$57.30 per cwt the previous Friday. The negotiated base price for the week averaged US$59.25 per cwt, up US$2.86 per cwt from US$56.39 per cwt the previous week. Prices will likely bottom in the near future and should rise into summer with barbeque season.



Source: LMIC



Source: LMIC, CME

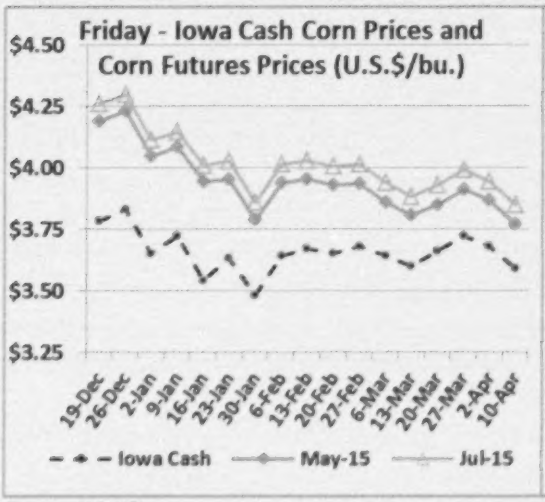
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday April 10, 2015 was $136.46 per ckg, up $5.73 per ckg from $130.73 per ckg the previous Thursday. Signature#3 weekly prices (Friday to Thursday) averaged $132.43 per ckg, up $1.71 per ckg from the previous weeks' average price of $130.72 per ckg. The Canadian dollar edged lower last week to close Friday at 79.49 cents, down 0.10 cents from the previous Thursday's close of 79.59 cents.

Futures Markets

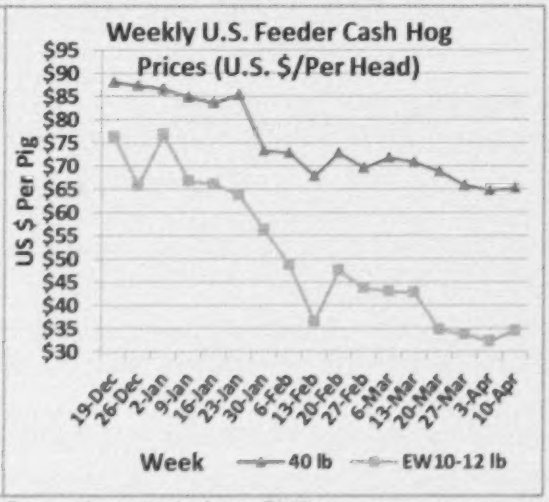
Lean hog futures daily prices were mixed but mostly higher last week except the April contract. The nearby April contract declined US$0.625 per cwt to settle Friday at US$62.550 per cwt, while further out contracts had gains. The May 2015 lean hog futures contract increased US$3.425 per cwt to settle Friday at US$71.775 per cwt, while the June 2015 contract increased US$2.650 per cwt to settle Friday at US$78.150 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices edged higher last week. Weighted average cash prices for iso-weans (12lb) last week were US$34.56 per head, up US$2.34 per head from US$32.22 per head the previous week. Feeders (40lb) were US$65.11 per head, up US$0.46 per head from US$64.65 per head the previous week.



Source: LMIC



Source: Iowa Agriculture, CME

Iowa cash corn prices continued lower over the week declining 9 cents per bushel to end Friday at US$3.59 per bushel. Daily U.S. corn futures prices edged lower most days with prices ending the week lower, week-over-week. The May 2015 corn contract declined over 9 cents to settle Friday at $3.77 per bushel, while the July contract declined almost 10 cents to settle Friday at US$3.84¼ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending April 11 were estimated at 2.188 million head, down 0.3 per cent from 2.194 million head the previous week, but up 8.6 per cent from 2.015 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks averaged 2.225 million head per week, up 9.9 per cent from 2.024 million head the same four week period a year ago.

In Canada, federal and provincial hog slaughter numbers for the Easter week ending April 4, 2015 were estimated at 342,521 head, down 12.9 per cent from 393,220 head the previous week, and down 14.3 per cent from 399,628 head the same week a year ago. Last week's Canadian slaughter number have been adjusted or corrected from the previous week (310,332 to 393,220 head, week of March 28). Canadian hogs slaughtered over the last four weeks ending April 4, 2015, were estimated to average 386,130 head, down 3.8 per cent from 401,331 head over the same period a year ago.

In Western Canada, hogs slaughtered over the last four weeks averaged 161,910 head, down 2.0 per cent from 165,183 head over the same period a year ago. Western Canadian hogs slaughtered year-to-date have totaled 2.332 million head, up about 1.7 per cent from 2.293 million head the same period a year ago.

Meat Production

U.S. pork production for the week ending April 11, 2015 was estimated at 468.0 million lb., down 0.3 per cent from 469.3 million lb. the previous week, but up 7.8 per cent from 434.1 million lb. the same week a year ago. Pork production over the last four weeks ending April 11 was estimated to average 475.8 million lb., up 9.4 per cent from 434.8 million lb. over the same four week period a year ago.

U.S. beef production for the week ending April 11, totaled 408.3 million lb., down 4.5 per cent from 427.7 million lb. the previous week, and down 10.4 per cent from 455.6 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending April 4, 2015, was estimated to average 1.982 billion lb., up 4.0 per cent from 1.906 billion lb. over the same four weeks a year ago. Total U.S. meat production year-to-date for 2015 is estimated to be up 3.9 per cent compared to the same period in 2014.

United States Weekly Meat Production

(April 4) Four Week Average - Million Lb.			Percent Change	
	2014	2015	4 Week	YTD 2015
Pork	434.5	477.9	10.0%	6.5%
Beef	460.7	429.8	-6.7%	-3.9%
Chicken	879.0	945.8	7.6%	6.8%
Turkey	131.9	129.0	-2.2%	3.7%
Total	**1,906.1**	**1,982.4**	**4.00%**	**3.95%**

Source: LMIC

Cutout Values

U.S. pork cutout values for the week ending April 11, 2015 averaged US$65.73 per cwt, up US$0.75 per cwt from US$64.98 per cwt the previous week, but down 48.3 per cent from US$127.13 per cwt from a year ago.

Average beef cutout values (Choice 600-900 lb.) for the week ending April 11 averaged US$257.50 per cwt, up US$2.95 per cwt from US$254.55 per cwt from the previous week, and up 14.2 per cent from US$225.50 per cwt the same week a year ago.

Average chicken cutout values (Northeast breast) for the week ending April 11 averaged US$151.88 per cwt, down US$0.60 per cwt from US$152.48 per cwt from the previous week, and down 9.9 per cent from US$168.57 per cwt.

USDA Prospective Planting Report

The USDA March 2015 Prospective Plantings Report was released on March 31, 2015. The United States acres projected to get planted to corn for 2015 was 89.2 million acres, down 1.5 per cent or almost 1.4 million acres from the 2014 seeded acres of corn. Planting estimates lower than the average trade estimates of 88.7 million acres.

Soybean planted acres for 2015 were estimated at a record 84.6 million acres, up 1.1 per cent from a year ago. Average trade estimates were estimating soybean planted acres to be almost 1.5 per cent higher at 85.9 acres.

Total wheat area planted was estimated at 55.367 million acres, down 2.6 per cent from 2014 and down about 0.4 per cent from the average trade estimates. Winter wheat acres had most of the losses while durum wheat had some gains. Barley planted acres increased 9.5 per cent to 3.258 million acres, up from 2.975 million acres in 2014.

USDA World Agricultural Supply and Demand Estimates (WASDE)

On April 9 the USDA released the April World Agricultural Supply and Demand Estimates (WASDE). United States (U.S.) corn ending stocks are estimated to increase by 2.8 per cent from the March estimates to 1.827 billion bushels. Corn stocks are estimated to increase from lower domestic consumption from feed and food along with lower corn exports. Average farm price estimates for corn were slightly narrowed from March and now projected to range from US$3.55 to US$3.85 per bushel.

U.S. soybean ending stocks were estimated to decline 3.9 per cent from the March estimates to 370 million bushels with projections of slightly higher domestic usage. Average farm price estimates for soybeans were narrowed from the March projections to range from US$9.60 to US$10.60 per bushel.

The April USDA WASDE report estimated that United States Red Meat and Poultry production for 2015 will be 95.284 billion lb., a slight increase from the March estimates, and a 3.4 per cent increase from 92.172 billion lb. from 2014 production. Pork production estimates for 2015 were increased by 0.5 per cent from the March estimates to 24.240 billion lb. and are now estimated to be 6.1 per cent above the 2014 production numbers. Higher first quarter slaughter numbers and anticipated larger second half slaughter numbers are the main reason pork numbers are projected higher. U.S. beef production estimates in April were revised 0.6 per cent higher from March with higher cow slaughter numbers and heavier weights. United States meat production for 2015 is projected to increase for pork (+6.1%), turkeys (+4.7%), and broilers (+3.8%), but decrease for beef (-0.2%), from 2014 production.

USDA April World Agricultural Supply and Demand Estimates

		Million Pounds				Total Red Meat
	Quarter	Beef	Pork	Broiler	Turkey	& Poultry
2013	**Annual**	**25,720**	**23,187**	**37,830**	**5,806**	**93,333**
2014	**Annual**	**24,252**	**22,844**	**38,550**	**5,756**	**92,172**
2015	March Proj.	24,060	24,120	40,025	6,075	95,069
2015	**April Proj.**	**24,210**	**24,240**	**40,025**	**6,025**	**95,284**
% Chg.	Mar.-Apr.15	0.62%	0.50%	0.00%	-0.82%	**0.23%**
% Chg.	**2014-2015**	**-0.17%**	**6.11%**	**3.83%**	**4.67%**	**3.38%**
% Chg.	2013-2014	-5.71%	-1.48%	1.90%	-0.86%	-1.24%

Source: USDA March WASDE Report, April 9, 2015

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